

Short English synopsis of the study

Financing of adult and continuing education in Austria, comparison with other countries (Sweden, Finland, UK/Scotland, Australia)¹

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A main aim of the study was to acquire comparative and comprehensive information about the levels of financing in states from different welfare regimes (Nordic: Sweden, Finland; liberal: UK/Scotland, Australia; Austria as a continental country), and to observe the different sources of the expenditure by broad categories of actors (individuals, the state, enterprises). The study is based on estimations from comparative data bases, supported by direct inquiries in the selected countries

Content

Research Design and Methods	2
Results	4
Literature	9

Tables

Table 1: Per-capita expenditure for non-formal adult education (NFAE) in selected countries, 2009, USDPPP	6
Table 2: Stylized participation in formal and non-formal learning compared to public and private financing in selected countries	8
Table 3: Detailed indicators about participation and funding in European countries	9

Figures

Figure 1: Schematic representation of funding and participation patterns.....	7
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¹ The Study in German: Lassnigg, L., Vogtenhuber, S., & Osterhaus, I. (2012). Finanzierung von Erwachsenen- und Weiterbildung in Österreich und in ausgewählten Vergleichsländern. IHS-research report commissioned by Arbeiterkammer Wien. Retrieved from URL: www.equi.at/dateien/AK-IHS-EB-Kovgl.pdf, <http://www.equi.at/dateien/AK-IHS-strat.pdf>; see also the presentation at the ESREA conference at Maynooth, Ireland, including more visualizations of the results at <http://www.equi.at/dateien/esrea-dublin-16pdf.pdf>

Research Design and Methods

A main aim of the study was to acquire comparative and comprehensive information about the levels of financing in states from different welfare regimes (Nordic: Sweden, Finland; liberal: UK/Scotland, Australia; and Austria as a continental-corporatist country), and to observe the different sources of the expenditure by broad categories (individuals, the state, enterprises). The distribution of financing allows to some extent to control broad policy strategies, a high proportion of individuals signifying liberal policies, a high proportion of enterprises signifying corporatist policies, and a high proportion of the state signifying high public responsibility for AE. These patterns are also analysed with respect to variables about participation in AE, partly distinguished by vocational and non-vocational purposes. These steps give some hints about how the level and structure of financing relates to very basic patterns of participation. The main purpose of the study was on the national level, to better understand the Austrian structures by mirroring them through the comparison; however, the study also contributes information about the other countries selected.

The methodological approach relies on quantitative data, however, takes also elements of case studies, as the collection of the data needed direct contacts with representatives of the countries. Different sources of information were matched, and for the purpose of comparison the data were standardized by purchasing power and per capita. The sources for information about financing are fourfold:

- (1) for state/public expenditure (a) the public budget, and (b) the expenditure of the public employment agencies for adult education/training were used;
- (2) for the contributions of enterprises country specific surveys were not available, thus two waves of the European *Continuing Vocational Training Survey* (CVTS2&3, 2005-07) were analysed;
- (3) expenditure by individuals was estimated from the European *Adult Education Survey* (AES, 2007), country specific surveys were also not available;
- (4) for Australia complementary comparable sources were available and utilised (TEPS: Employer Training Expenditure and Practices 2001/20, and HHES: Household Expenditure Survey 2003/04).

The access to the national data was prepared by consultations (oral or email) with representatives from the ministries, the statistical offices and the employment agencies of the respective countries (see the Annex for detailed information about the data gathering).

Despite for the European countries comparative data bases were used for the two actors' categories of enterprises and individuals, much work of making the data comparable was necessary even for this more standardized kind of data. The observation of public funding needed even more conceptual work. So the observed data must be classified to a high degree as estimations rather than observations.

Several procedures of making the data directly comparable were necessary (the German report displays the detailed procedures, see also the Annex tables which demonstrate the transformations), the main of these can be summarized as follows:

- Definition of adult education: we used the definition of non-formal vocational and general adult education from the AES (EC 2005 and STATA 2009) and applied generally an age criterion of participant at 25 years or older; some demarcation problems arise in public funding with formal adult education in particular for tertiary education (specifically defined expenditure for further education was included in Scotland, Australia, and Austria)
- Definition of expenditure: the expenditure of individuals and enterprises cover only the direct costs, the public expenditure also includes indirect costs, because they could not be identified in some countries in a comparative way (e.g., the living expenses for participants in labour market training), so the comparison to some extent overestimates public expenditure, and underestimates private expenditure (the annex presents the estimations by country by the available categories).
- Public/state expenditure: the public expenditure is reported for initial education in a standardized way (UOE survey: UNESCO, OECD, EUROSTAT reporting procedure published periodically in OECD Education at a Glance), however, in adult education only the expenditure for labour market training as part of active labour market policy is regularly collected and reported by OECD and EUROSTAT data. The data about the different categories of expenditure were collected from the public authority of the selected countries by an email-survey.
- Individuals' expenditure: the AES survey has collected data about the expenditure of households for non-formal adult education in 2005-07 (Sweden and U.K. 2005-06, Finland 2006, Austria 2007), the data from Australia were collected in 2003-04.
- Enterprises' expenditure: the data about enterprises (EU countries CVTS 2005-07, Australia TEPS 2003) underestimate the expenditure as they do not cover the complete economy (the CVTS excluded enterprises with less than 10 employees and most branches of the public sector; TEPS does not restrict the size of enterprises, but also does not cover the whole economy).
- Time and units of comparison: As shown, comparative data were collected at different points in time, so the year of comparison was standardised to 2009; the purchasing power (PPP) was standardized using the parities (PPP) for GDP and related indicators in 2009; to control for the different size of countries the expenditure was uniformly estimated by the US \$ Purchasing Power Parities per capita of the 25-64-years old population; it must be taken into account, that the analysis does not catch the changed situation according to the post 2008 economic and financial crises, but rather the situation before that.
- Participation: Participation is mainly analysed on basis of the European sources (AES and CVTS, Australia is mostly not comparable, and Great Britain must be compared instead of Scotland). Only

crude variables are available for these purposes: sex/gender, marital status, citizenship, country of birth, language, education credentials, employment status and criteria as position, occupation, size of enterprise; with respect to non-formal adult education the distinction between vocational and general AE was also used, and participation in formal AE was also considered.

The research design includes two steps: first the comparative estimation of the expenditure by the actors' categories (individuals, enterprises, the state, labour market policy) per capita of the population is presented; second the results about the expenditure are related to available indicators of participation, in order to identify rough patterns across the selected countries from the different welfare regimes, and to confront the expectations presented above.

Results

1 Comparison of expenditure by actors' categories in selected countries

Table 1 presents the main indicators about the expenditure in the selected countries standardised per capita of the 25-65 years old population. Against the expectations the overall expenditure was highest in Austria (index 1.16 against the average), and there was no communality of Nordic vs. liberal countries (Australia and Sweden ranging at average, and Finland and Scotland/GBR slightly below). The comparatively high expenditure in Austria results from substantially higher individual contributions (index 2.39), thus the individual contributions make up a much higher share of the overall financing (21%) than in the countries selected for comparison (between 5% in Australia and 9% in Sweden); furthermore, the individual contributions are substantially higher in Nordic countries (index around 0.8) than in liberal countries (index around 0.5) – the individual market contributions to non-formal adult education are thus lower in liberal than in Nordic countries.

The contribution of the enterprises, which is underestimated overall in the data, is comparatively similar across the selected countries (34% to 44%). It is highest in Sweden (index 1.18, 44%), followed by Australia (index 1.08, 41%) and Austria (index 1.05, 34%). If we count the sum of individual and enterprise contributions as private contributions, this proportion is highest in Austria (55%, index 1.34) and Sweden (54%, index 1.11), and there is no common pattern according to the welfare regimes, as in Scotland/GBR (41%, index 0.75) and in Finland (43%, index 0.85) the private contributions are lowest.

The combined state and labour market training expenditure (sum public) is quite similar, and does not show a consistent pattern across the welfare regimes (Sweden ranges lowest at index 0.91, and Australia and Finland highest at 1.05, with Austria and Scotland/GBR at average). The two components of public expenditure, state funds and labour market training are distributed very

differently and against expectations. The state expenditure is highest in the liberal countries followed by Sweden, whereas in Austria and Finland the dominating part of the public expenditure is spent via labour market policy (Sweden has substantially reduced labour market policy expenditure shortly before the point of estimation: in 2009 this part of financing was only about one fifth of 2006).

In sum, unexpectedly individuals in Austria spend comparatively much for non-formal adult education. The enterprises contributions differ less between selected countries, showing no consistent pattern across welfare regimes. State financing is highest in the liberal countries, whereas private sources -- in particular individuals -- contribute comparatively little to non-formal AE in this regime.

Table 1: Per-capita expenditure for non-formal adult education (NFAE) in selected countries, 2009, USDPPP

Absolute USDPPP	AUT	FIN	SWE	SCO/GBR	AUS
State budgets	48	77	231	279 ^x	286
Active labour market policy	232	220	26	8 ^y	10
<i>Sum public</i>	280	297	257	287 ^{x,y}	296
Enterprises	217	180	244	167 ^y	222
Individuals non-formal AE	134	43	47	30 ^y	27
<i>Sum private</i>	351	223	291	197 ^y	249
Total NFAE per-capita 25-64y pop.	631	519	548	484^{x,y}	545
Per cent of total per-capita expenditure					
State budgets	8%	15%	42%	58% ^x	52%
Active labour market policy	37%	42%	5%	2% ^y	2%
<i>Sum public</i>	44%	57%	47%	59% ^{x,y}	54%
Enterprises	34%	35%	45%	35% ^y	41%
Individuals non-formal AE	21%	8%	9%	6% ^y	5%
<i>Sum private</i>	55%	43%	54%	41% ^y	46%
Total NFAE per-capita 25-64y pop.	100%	100%	100%	100%^{x,y}	100%
Index (average of sel. countries = 1.00)					
State budgets	0.26	0.42	1.26	1.52 ^x	1.55
Active labour market policy	2.34	2.22	0.26	0.08 ^y	0.10
<i>Sum public</i>	0.99	1.05	0.91	1.01 ^{x,y}	1.05
Enterprises	1.05	0.87	1.18	0.81 ^y	1.08
Individuals non-formal AE	2.39	0.77	0.84	0.54 ^y	0.48
<i>Sum private</i>	1.34	0.85	1.11	0.75 ^y	0.95
Total NFAE per-capita 25-64y pop.	1.16	0.95	1.00	0.89^{x,y}	1.00
Additional Indicators					
Individuals formal AE (abs. USDPPP)	81	17	40	51 ^y	n.a.
GDP per-capita (OECD 2009) ¹	38.823	35.237	37.163	35.159 ^y	39.660
Tot.NFAE per-cap.25-64J/GDP per-cap.	1,6%	1,5%	1,5%	1,4% ^y	1,4%
Pop. 25-64 (OECD 2008, 1.000s)	4.624	2.889	4.854	2.790 ^x 32.429 ^y	11.739
Employment rate (OECD 2009)	76%	76%	81%	77% ^y	77%

¹GDP 2009, USD purchasing power parities (PPP); ²Total expenditure related to the 25-64y population, GDP to the total population, thus this proportion must not be confused with the proportion of AE expenditure of GDP; pop.= population; ^xScotland, ^yGreat Britain; AUT=Austria, FIN=Finland, SWE=Sweden, SCO/GBR=Scotland/Great Britain, AUS=Australia.

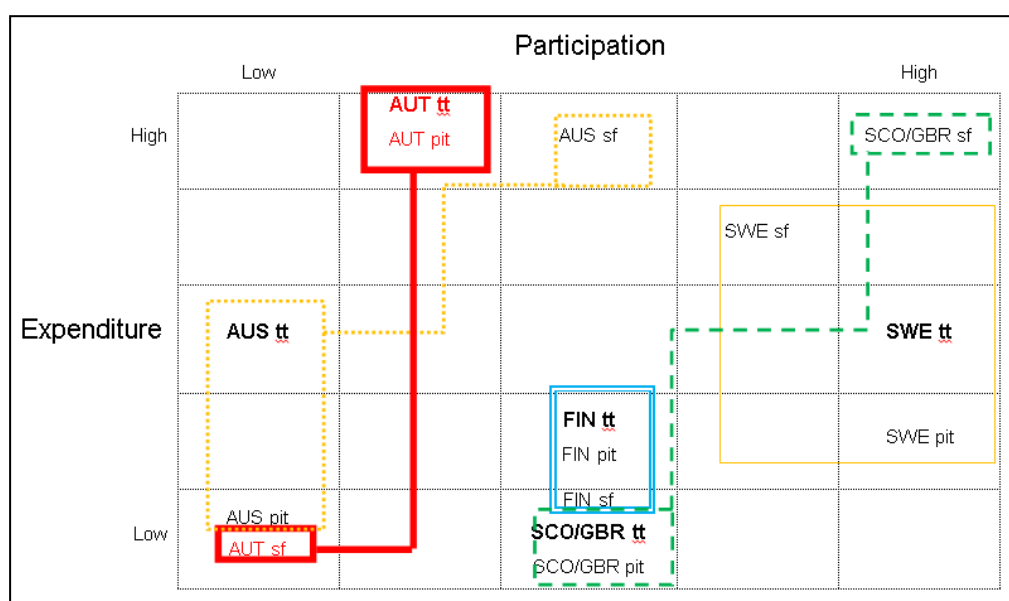
Source: own calculations, EUROSTAT, OECD, Australian Bureau of Statistics ABS.

2 Stylized patterns of participation in the selected countries

Measurement of participation is a key element in European and international policy making, and has been quite extensively theorised and analysed in recent decades. In contrast to financing, comparative indicators are available to this aspect from OECD and EU, and they are also used in the political discourses. However, these Indicators are still very crude, and the measurement is impaired by much lack of clarity: E.g., the data gathering has been refined in Europe at some points in time, so the European time series reflect a mixture of real and definitional changes, which are difficult to distinguish; moreover, different indicators are used (participation during four weeks before survey, or during one year), and different observations in different surveys give quite different results (e.g. Labour Force survey, Adult Education Survey and Continuing Vocational Training Survey). Consequently, caution is necessary with interpretations, nevertheless, exploration and use of the data can gradually contribute to clarification.

Basically the rough indicators of participation are not related to the indicators of financing, with one exception: the state expenditure is positively related to formal adult education. Because we have been particularly interested in impacts of individual market related expenditure and of state expenditure, we have looked at the pattern among the selected countries and welfare regimes according to the comparative level of three stylised attributes that combine funding and participation: (i) total funding and total participation, (ii) private individual funding and total participation, and (iii) state funding and formal participation. Figure 1 illustrates these attributes in the selected countries.

Figure 1: Schematic representation of funding and participation patterns



Legend: positioning of countries signals levels of... tt = total expenditure & total participation; pit = private individual expenditure & total participation; sf = state expenditure & formal participation

Using these stylized attributes a certain pattern among welfare regimes is visible that is to some extent in line with the expectations, and in other respect contradicts them:

- the Nordic countries show by and large a comparatively medium to high position with respect to participation, but rather a comparatively medium to low position with respect to expenditure; the three indicators are comparatively homogeneously positioned, and state expenditure is not particularly high; if we take the tt-total expenditure & total participation positioning as a main quality attribute, these countries rank relatively favourable;
- the liberal countries show by trend a polarized picture, with comparatively low to medium participation and low to medium expenditure at the broader indicators on the one hand, however, medium to high formal participation with high state expenditure on the other; the individual contributions on the market are low in this regime; in terms of quality this regime shows consistently lower participation with lower expenditure;
- Austria with its conservative-corporatist welfare regime shows the least favourable pattern with high expenditure and medium to low participation, and a reverse polarisation between consistently low state funding with low formal participation, and high individual market contributions leading to comparatively low participation.

Table 2: Stylized participation in formal and non-formal learning compared to public and private financing in selected countries

Adult education in 2007, % participation per year					
	AUT	FIN	SWE	GBR	AUS*
<i>Formal and non-formal learning</i>					
Female	39,9	61,3	76,1	51,3	37,3
Male	44,0	48,9	70,8	47,2	38,8
Total	41,9	55,0	73,4	49,3	38,1
<i>Formal learning</i>					
Female	3,9	12,2	16,0	17,8	12,5
Male	4,4	8,2	9,6	12,3	11,0
Total	4,2	10,2	12,7	15,1	11,7
<i>Non-formal learning</i>					
Female	37,8	57,2	71,2	41,4	29,1
Male	41,8	45,2	67,7	39,2	31,7
Total	39,8	51,2	69,4	40,3	30,4
Indices about participation and financing, selected countries relative to their average figures					
	AUT	FIN	SWE	GBR	AUS*
Indices Participation, average=1.00					
Participation, formal and non-formal	0.81	1.07	1.42	0.96	0.74
Participation, formal	0.39	0.95	1.18	1.40	1.09
Participation, non-formal	0.86	1.11	1.50	0.87	0.66
Indices expenditure, average=1.00					
Total expenditure	1.16	0.95	1.00	0.89	1.00
Private individual expenditure	2.39	0.77	0.84	0.54	0.48
State public expenditure	0.26	0.42	1.26	1.52	1.55

* Australia limited comparability, based on different source than European countries.

Sources: Participation: European Adult Education Survey 2007 (AES), Australian Multi-Purpose Household Survey 2006/07 (MPHS); Funding: see Table 1.

Table 3: Detailed indicators about participation and funding in European countries

EXPENDITURE PER PARTICIPANT

Individual and enterprise training

	AUT	FIN	SWE	GBR
Participants, individual, AES formal learning (EUR)	1.454	153	393	438
Participants, individual, AES non-formal learning (EUR)	285	74	86	97
Enterprise, direct, CVTS (EUR PPS)	915	603	692	703
Enterprise, opportunity costs, CVTS (EUR PPS)	696	534	973	257
Enterprise, total (EUR PPS)	1.577	1.144	1.653	1.060

SELECTIVITY OF PARTICIPATION

Educational background in individual adult education (AES)

Index tertiary/lower secondary, formal AE	8.10	3.43	3.94	2.64
Index tertiary/lower secondary, non-formal AE	3.54	2.07	1.62	1.80

Sex-gender, age, education in vocational AE and enterprise training

Individual vocational participation (AES)				
Index female/male	.86	.98	.92	.90
Index old/young	.73	.84	.93	.77
Index tertiary/below secondary education	1.23	1.14	1.09	1.02

Enterprise training (CVTS)

Index female/male	.83	1.08	.96	.76
Index old/young	.58	1.36	.95	.76

Sources: European Adult Education Survey 2007 (AES); Continuing Vocational Training Survey (CVTS).

Table 3 shows some more detailed indicators about the costs and the selectivity of the different kinds of participation. We can see that the high individual and enterprise contributions on the market are related to comparatively high costs of participation, a pattern that cannot easily be interpreted as sign for efficiency – the mainly state funded formal participation in the other regimes bears markedly less costs. The selectivity indicators show particularly higher selectivity in terms of the educational background of the participants in Austria (differences also exist in the countries selected for comparison, but clearly much smaller ones).

3 Summary of empirical results

First, the overall expenditure per capita was highest in Austria, not in line with the highest expenditure by individuals, signifying rather a neoliberal policy approach than a corporatist one; second, there is no overall relationship between participation and expenditure in the selected countries, except that higher state expenditure is related to increased participation in formal AE; third, in terms of policy strategies the results do no point towards deliberate systematic patterns: Austria shows the most ‘neoliberal’ pattern, despite none of the actors would follow deliberately this strategy; in the liberal countries high state expenditure is combined with low to medium overall expenditure and low to medium overall participation. The corporatist regime is related to high inequality of participation in

terms of educational background, which is consistent with this regime; the market seems not to work particularly efficiently in this regime, as the costs of (low) participation are high.

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